American International Group, Inc.

Second Quarter 2013 Results
Conference Call Presentation

August 2, 2013

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Second Quarter 2013 Key Themes

Highlights:	Noteworthy Items
Capital Management & Liquidity	▪ Declared cash dividend of $0.10/share; share repurchase authorization of $1 billion, both in Aug. 2013 ▪ Reduced debt by $931 million through calls and tenders ▪ $1.3 billion of dividends and loan repayments ▪ As of August 1, 2013, the closing of the ILFC transaction has not occurred
AIG Property Casualty	▪ Accident year loss ratio, as adjusted, of 61.9 continues to improve ▪ Positive rate change in 2Q13, with Global Commercial rates up 3.8% (+7.3% in U.S.) ▪ NPW growth of 4.0% from 2Q12 excluding foreign exchange and timing of reinsurance agreements ▪ CAT losses total $316 million ▪ Net unfavorable development of $154 million, including $142 million from Storm Sandy
Mortgage Guaranty	▪ Earnings reflect new business growth (half of net premiums earned in 2Q13 was from business written after 2008) ▪ Growth in new insurance written (up 63% from 2Q12) with consistently high quality risks ▪ Delinquency ratio declined 80 bps from 1Q13 to 7.1%
AIG Life and Retirement	▪ Strong variable annuity sales of $2.2 billion and retail mutual fund sales growth drove positive net flows; fixed annuity sales increased late in the quarter ▪ AUM increased 10% from the year ago period resulting in higher fee income ▪ Ongoing active crediting rate management continued to enhance profitability ▪ Earnings benefited from higher net investment income

Financial Highlights

Net income in 2Q13 includes a deferred tax valuation allowance release of $752 million and litigation settlement income of $257 million, net of tax.

	Second Quarter		
($ in millions, except per share amounts)	2012	2013	Inc. (Dec.)
Revenues	$16,221	$17,315	7%
Net income attributable to AIG	**2,332**	**2,731**	**17%**
After-tax operating income attributable to AIG	**$1,678**	**$1,655**	**(1%)**
Diluted earnings per common share:			
Income from continuing operations	$1.23	$1.82	48%
Income from discontinued operations	$0.10	$0.02	(80%)
After-tax operating income attributable to AIG	$0.96	$1.12	17%
Book value per common share	**$60.58**	**$66.02**	**9%**
Book value per common share - Ex. AOCI	**$55.30**	**$61.25**	**11%**
ROE – After-tax operating income[(1)]	**7.0%**	**7.4%**	

1) Computed as Annualized After-tax operating income divided by Average AIG Shareholders' equity, excluding AOCI.

After-tax Operating Income

Improved insurance operating results and strong investment returns drive results.

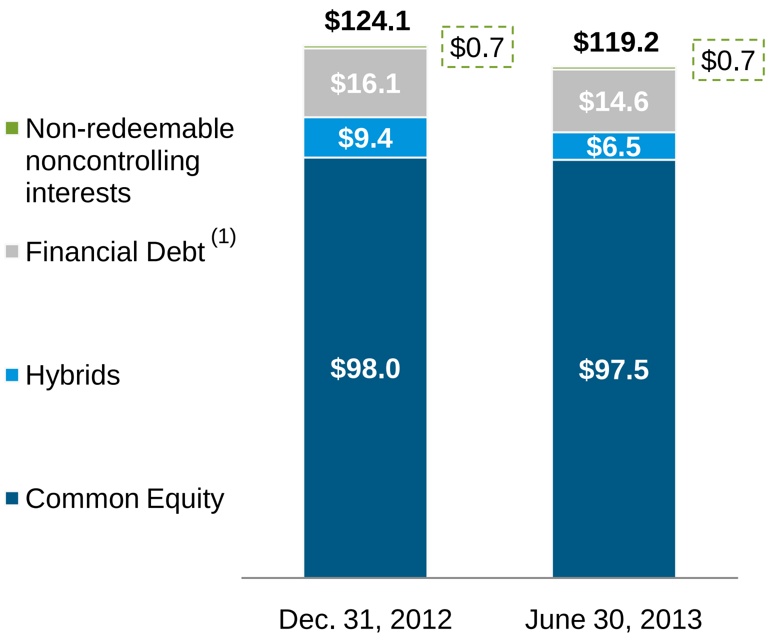
	Second Quarter	
($ in millions, except per share amounts)	2012	2013
Insurance operations		
AIG Property Casualty	$936	$1,085
AIG Life and Retirement	933	1,151
Mortgage Guaranty (reported in Other)	43	73
Total Insurance Operations	**1,912**	**2,309**
Direct Investment book	434	591
Global Capital Markets	(25)	175
Change in fair value of AIA (including realized gain)	(493)	-
Change in fair value of Maiden Lane III	1,306	-
Interest expense	(392)	(353)
Corporate expenses	(224)	(253)
Other	(54)	(1)
Pre-tax operating income attributable to AIG	**2,464**	**2,468**
Income tax expense	(779)	(786)
Other noncontrolling interest	(7)	(27)
After-tax operating income attributable to AIG	**$1,678**	**$1,655**
After-tax operating income per diluted common share	**$0.96**	**$1.12**

Strong Capital Position

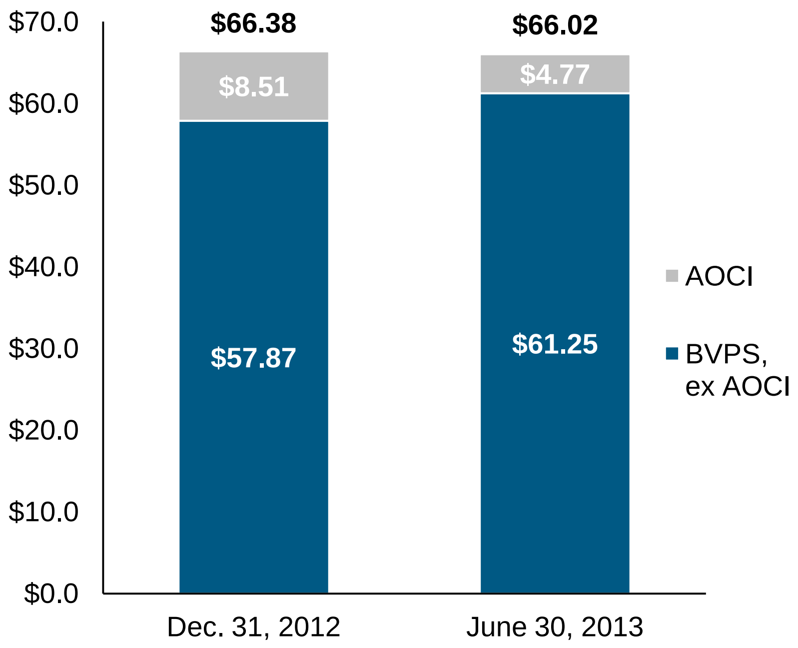
Outstanding borrowings reflect $2.9 billion notional amount of hybrid calls and tenders year-to-date.

Capital Structure

($ in billions, except per share data)



Book Value Per Share



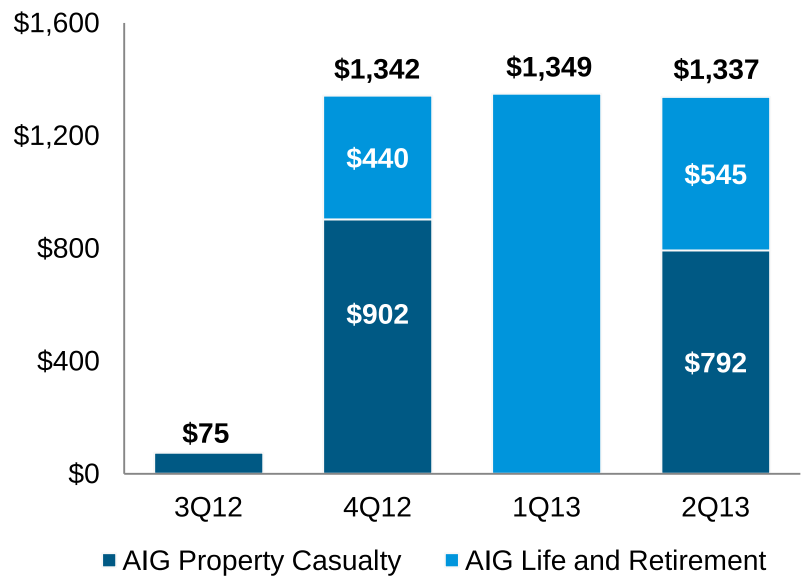
Leverage Ratios:	2012	2013
Financial Debt + Hybrids / Capitalization	**20.5%**	**17.7%**
Financial Debt / Capitalization	**12.9%**	**12.3%**

1) Includes AIG Loans, Mortgages, Notes and Bonds Payable, AIGLH Notes and Bonds Payable, and Liabilities connected to the trust preferred stock.

Financial Flexibility – A Source of Strength

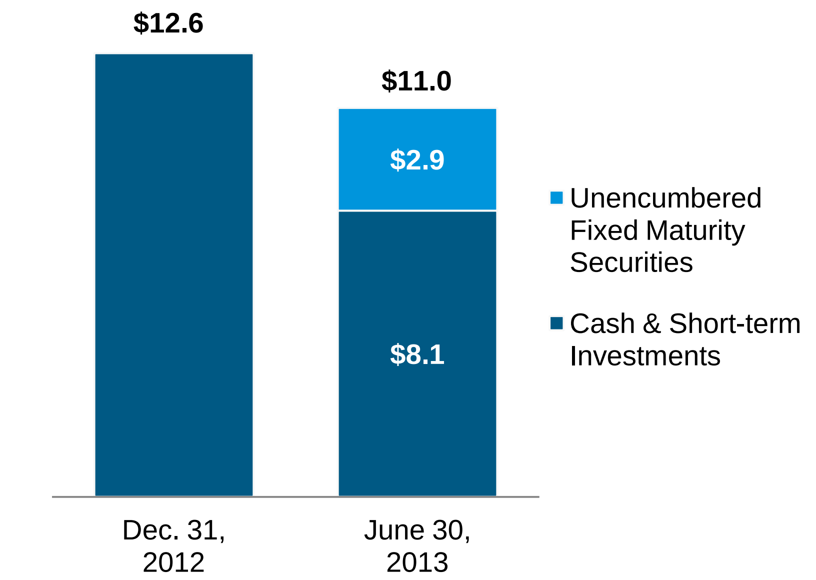
Insurance Company Distributions

($ in millions)



Parent Cash, Short-Term Investments & Unencumbered Securities

($ in billions)



- Year-to-date insurance company distributions of $2.7 billion. Annual distributions expected to be $4 – 5 billion.
- Parent cash, short-term investments and unencumbered securities of $11.0 billion includes $5.4 billion allocated toward future maturities of liabilities and contingent liquidity stress needs of the Direct Investment book and Global Capital Markets as of June 30, 2013.
- AIG Parent also maintains available capacity of $3.6 billion under its syndicated credit facility and contingent liquidity facility.

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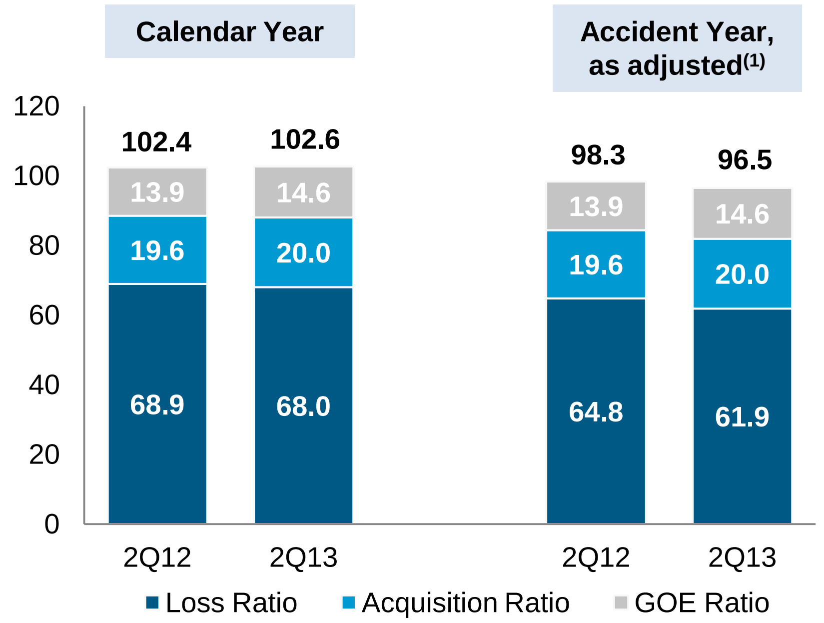
AIG Property Casualty – Financial Results

Operating results demonstrate continued execution of strategic initiatives.

($ in millions)	2Q12	2Q13
Net premiums written	$9,095	$9,263
Net premiums earned	8,820	8,347
Underwriting income (loss)	(217)	(225)
Net investment income	1,153	1,310
Operating income	$936	$1,085

Global Combined Ratios



- Net premiums written grew 2% reflecting growth of new business and rate increases, the timing of the recognition of ceded premiums written under excess of loss reinsurance agreements, partially offset by the negative effect of foreign exchange, which was largely driven by the strengthening of the U.S. dollar against the Japanese Yen. NPW growth was 4.0% excluding the excess of loss and foreign exchange effects.
- The accident year loss ratio, as adjusted, continued to improve, as a result of the shift to higher value business, enhanced risk selection, loss mitigation initiatives and improved pricing.
- Net investment income benefited from the strong performance of alternative investments and gains on fair value option securities.

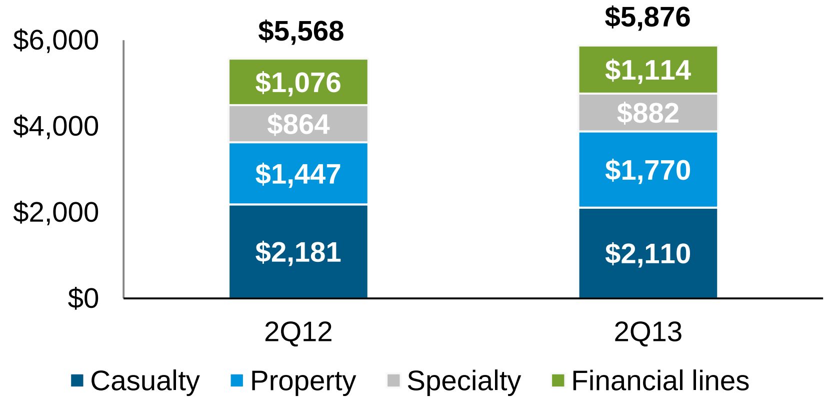
1) The combined ratio, as adjusted, and loss ratio, as adjusted, exclude catastrophe losses and related reinstatement premiums, prior year development, net of premium adjustments and the impact of reserve discounting.

Commercial Insurance – Underwriting Results

Commercial results reflect business mix shift, enhanced risk selection, and price increases.

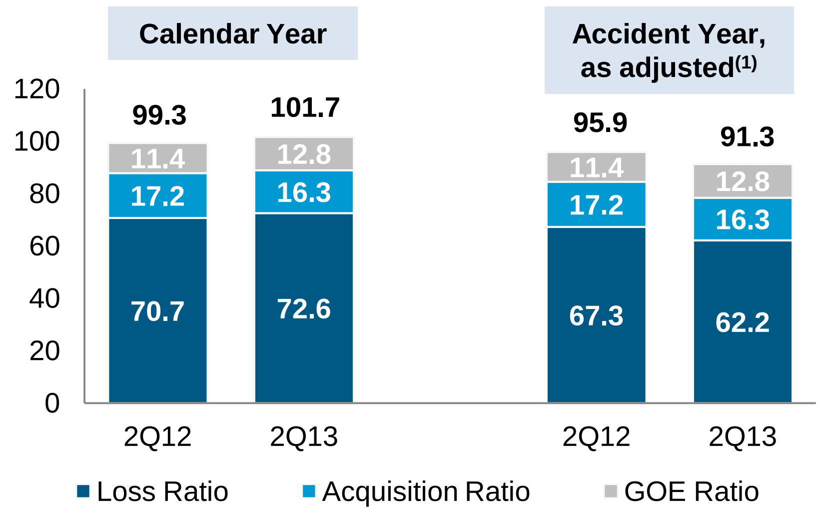
Net Premiums Written

($ in millions)

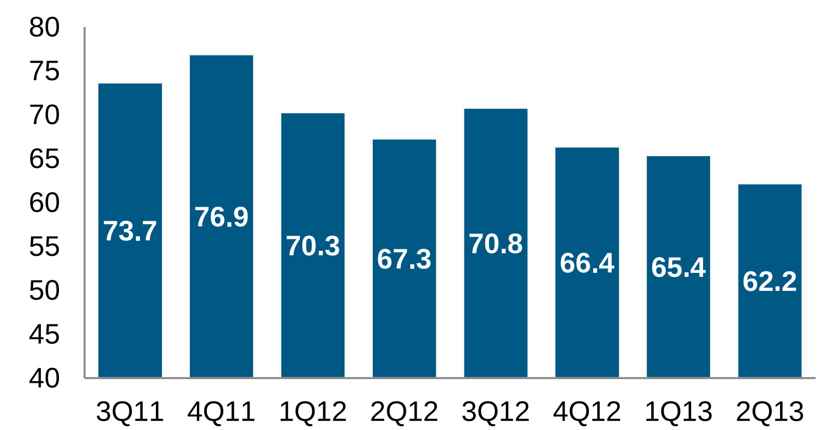


- Commercial Insurance continued to focus on growing higher value, profitable lines of business and geographies.
- Commercial Insurance rates increased +3.8% (+7.3% for the U.S.), led by U.S. Casualty at +9.4% and U.S. Property at +5.7%.
- Commercial NPW grew 5.5% from 2Q12. Excluding the timing of the recognition of ceded premiums written under excess of loss reinsurance agreements and foreign exchange effects, Commercial NPW grew 3.6%.

Combined Ratios



Accident Year Loss Ratio, as adjusted[1]



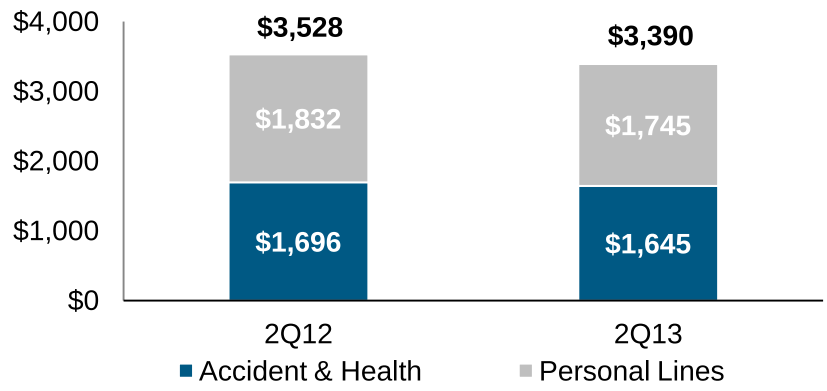
1) The combined ratio, as adjusted, and loss ratio, as adjusted, exclude catastrophe losses and related reinstatement premiums, prior year development, net of premium adjustments and the impact of reserve discounting.

Consumer Insurance – Underwriting Results

Consumer continues to implement global growth strategies across multiple distribution channels.

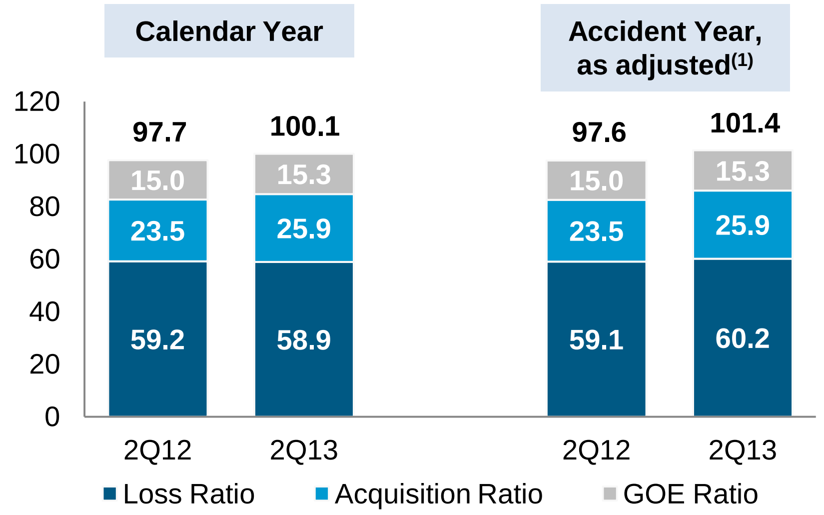
Net Premiums Written

($ in millions)

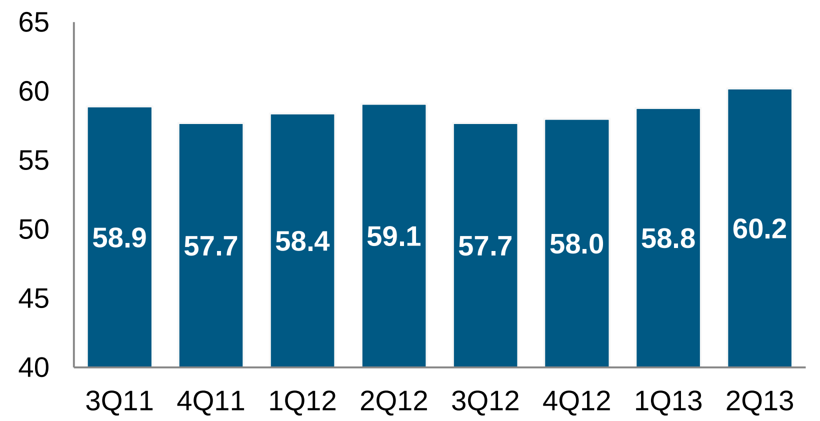


- Consumer NPW grew 4.7% from 2Q12 excluding foreign exchange and the excess of loss reinsurance change and declined 3.9% on a reported basis.
- Direct Marketing NPW grew 5% from 2Q12 and represented 16% of total Consumer NPW in 2Q13.
- The accident year loss ratio, as adjusted, in 2Q13 includes higher losses associated with a warranty retail program of 1.5 pts, which was largely offset by a decrease in amounts owed under a profit sharing arrangement for the same program.

Combined Ratios



Accident Year Loss Ratio, as adjusted[1]



1) The combined ratio, as adjusted, and loss ratio, as adjusted, exclude catastrophe losses and related reinstatement premiums, prior year development, net of premium adjustments and the impact of reserve discounting.

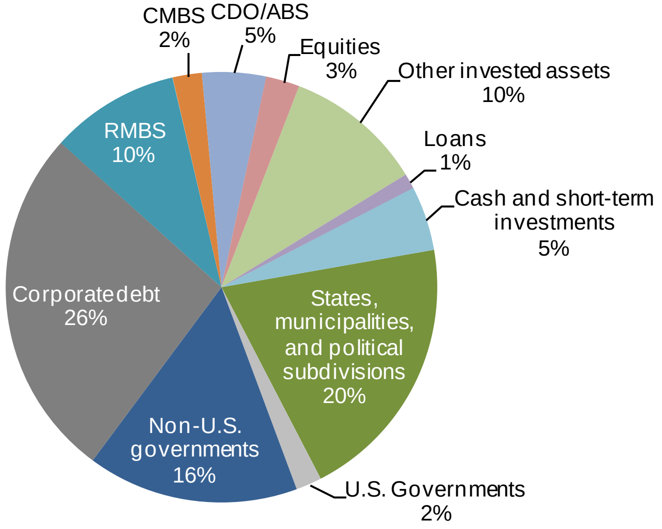
AIG Property Casualty – Investments

Returns driven by strong alternative investment income and gains on fair value option securities.

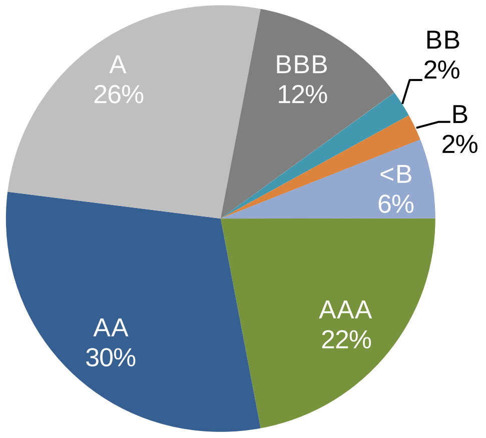
Net investment income: ($ in millions)	Second Quarter 2012	2013	Inc./(Dec.)
Interest and dividends	$ 991	$ 939	(5%)
Alternative investments	110	240	118%
Other, net[(1)]	52	131	152%
Net investment income	**$ 1,153**	**$ 1,310**	**14%**
Yield	**3.68%**	**4.11%**	

Total Cash & Invested Assets as of June 30, 2013 - $125.9 billion[(2)]

Total Portfolio Composition



Bond Portfolio - $102.1 billion - by Agency Credit Rating



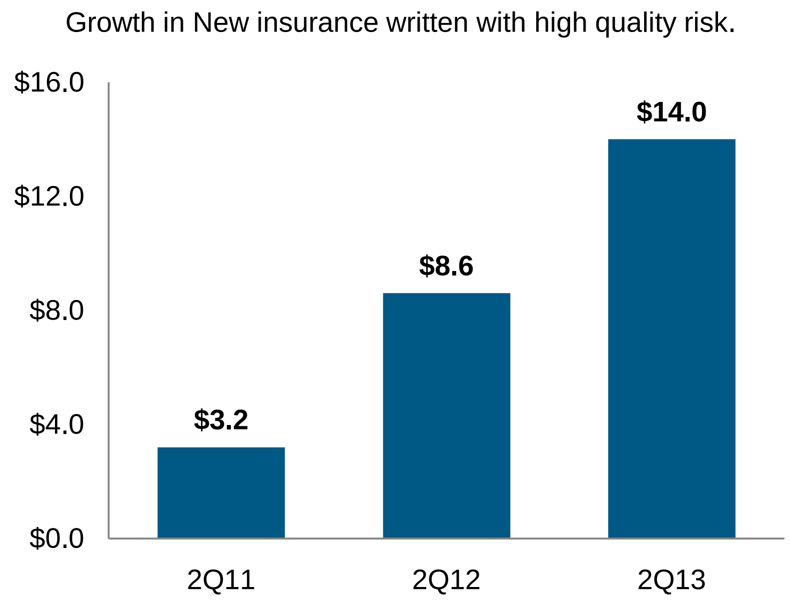
1) Includes income/loss from mutual funds, investment real estate, life settlement contracts and mark-to-market gains and losses, net of investment expenses.
2) Includes intercompany invested assets that are eliminated in consolidation.

Mortgage Guaranty – Improving Trends

Operating income of $73 million included a positive contribution from commutations, settlements and related reserve releases totaling $49 million.

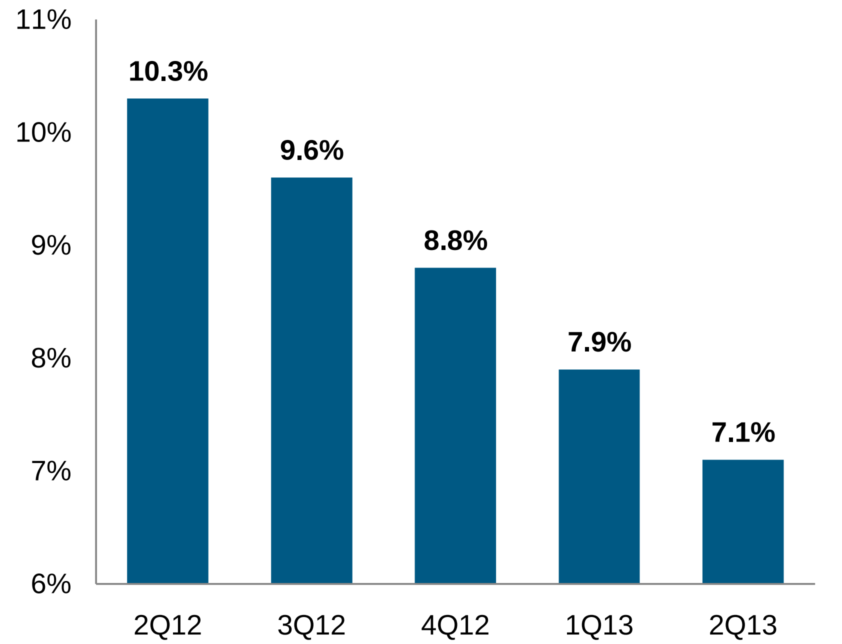
New Insurance Written (NIW)[1]

($ in billions)



Vintage Year[2]	Average	
	FICO Score	LTV Ratio
2Q11	757	91
2Q12	759	91
2Q13	755	92

Primary Delinquency (DQ) Ratio (%)[2]



(in 000s)	2Q12	3Q12	4Q12	1Q13	2Q13
DQ Count[2]	71	67	63	57	53

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1) New insurance written – original principal balance of loans (First-lien). Includes $162 million, $50 million and $79 million of NIW from International business in 2Q13, 2Q12 and 2Q11, respectively
2) Domestic First-lien only.

AIG Life and Retirement – Financial Results

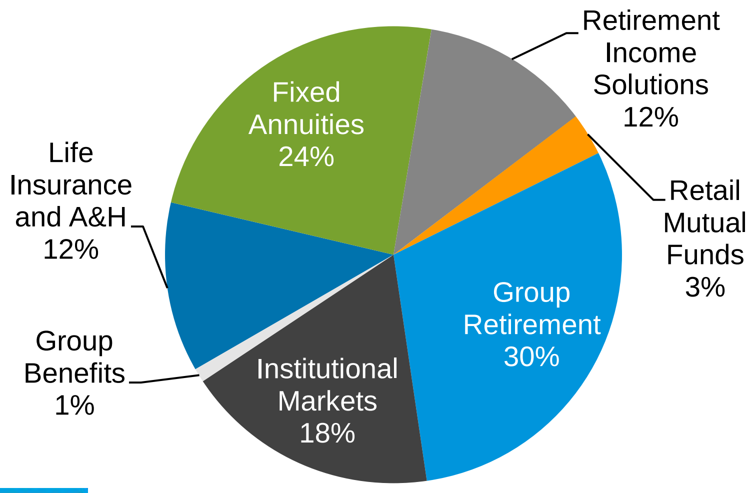
Results reflect strong sales, active spread management and higher investment income.

($ in millions)	2Q12	2Q13
Premiums and deposits	$5,434	$6,765
Premiums	632	649
Policy fees	567	623
Net investment income	2,521	2,637
Advisory fee and other income	312	419
Total revenues[1]	4,032	4,328
Benefits and expenses	3,099	3,177
Operating income	$933	$1,151

1) Excluding net realized capital gains (losses).

- Strong 2Q13 operating results were driven by robust sales of variable annuities, solid growth in fee income, effective spread management, and higher alternative investment income.
- Net investment income in 2Q13 included a fair value loss of $84 million in the PICC Group investment ($53 million loss for the first six months of 2013).

Assets Under Management



- AUM of $293.7 billion at June 30, 2013 increased 10% from the year-ago period driven by strong sales generated by our realigned distribution system, equity market performance and Institutional business asset gathering strategies.
- Net inflows in 2Q13 of $417 million improved substantially from the prior quarter and year-ago quarter due to variable annuity and retail mutual fund sales.
- Despite positive net flows in the quarter, AUM declined slightly from 1Q13 due to increases in interest rates and the resulting impact on general account asset values.

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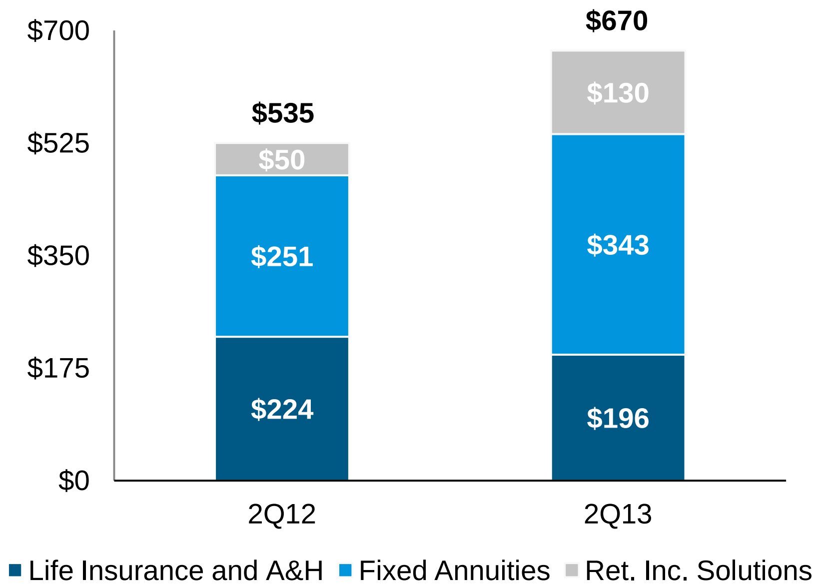
AIG Life and Retirement – Retail & Institutional Results

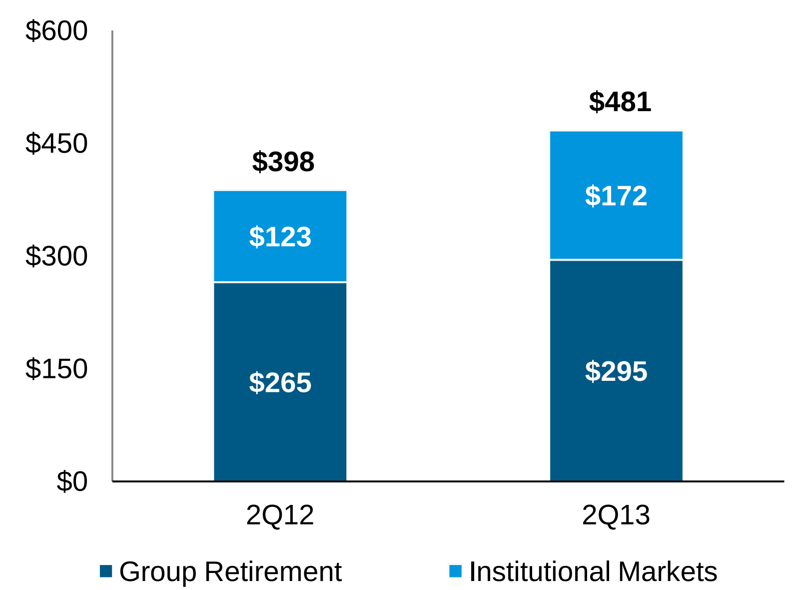
Retail Operating Income*

($ in millions)



Institutional Operating Income*

($ in millions)



- Retail operating income benefited from increased fee income from growth in account values, continued active spread management on interest rate-sensitive business and higher income on alternative investments.
- Institutional operating income was driven by active spread management and higher investment income.

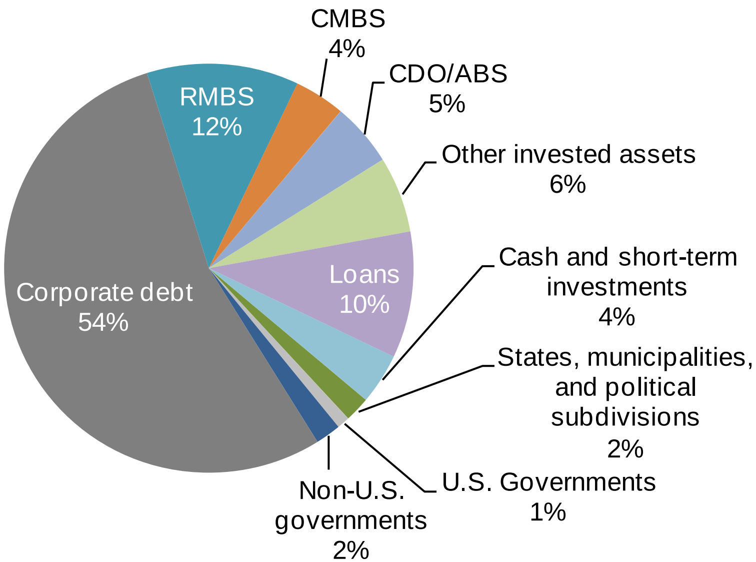
* Operating income is not separately presented for brokerage services and retail mutual funds included in the Retail operating segment and group benefits included in the Institutional operating segment.

AIG Life and Retirement – Investments

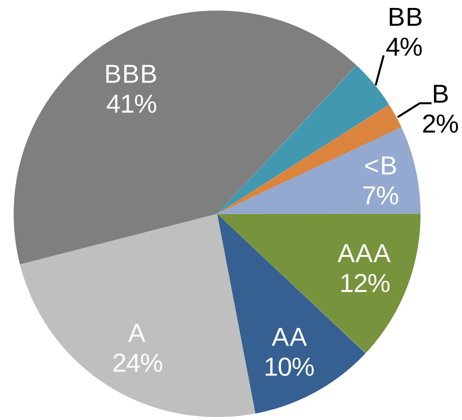
Net investment income: ($ in millions)	Second Quarter 2012	Second Quarter 2013	Inc./(Dec.)
Interest and dividends	$ 2,361	$ 2,319	(2%)
Alternative investments	170	436	156%
Call and tender income	20	54	170%
Other, net[1]	(30)	(172)	N/M
Net investment income	**$ 2,521**	**$ 2,637**	**5%**
Base Yield[2]	**5.50%**	**5.35%**	
Total Yield[3]	**5.71%**	**5.83%**	

Total Cash & Invested Assets as of June 30, 2013 - $196.8 billion[4]

Total Portfolio Composition



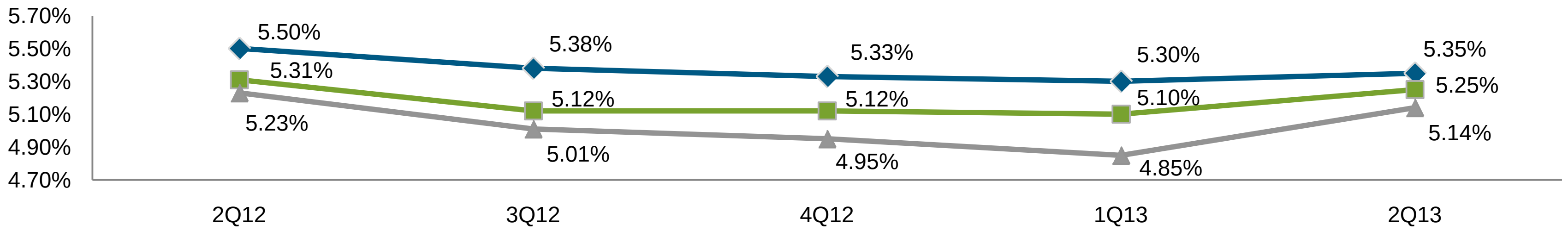
Bond Portfolio - $157.3 billion - by Agency Credit Rating



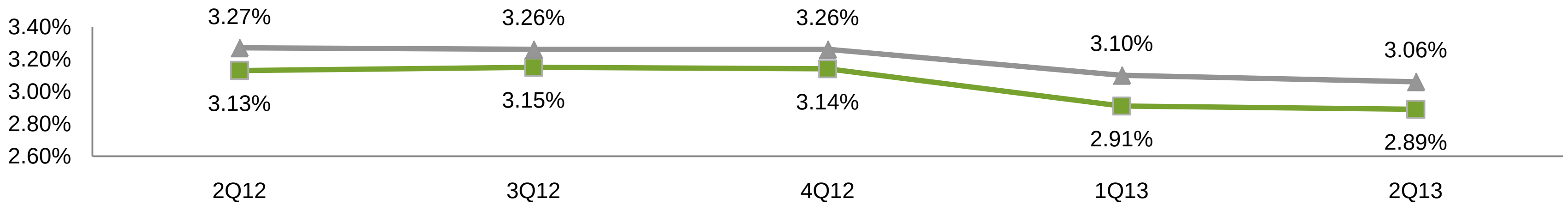
1) Includes income/loss from mutual funds, real estate, equity method investments and mark-to-market gains and losses, net of investment expenses.
2) Includes the investment return on surplus other than alternative investment or yield enhancement activities. Quarterly results are annualized.
3) Represents the base yields and the incremental effect to base yield on investments in hedge funds, private equity funds, gains on Maiden Lane II (in 2012) and income from calls and prepayment fees. Quarterly results are annualized.
4) Includes intercompany invested assets that are eliminated in consolidation.

AIG Life and Retirement – Base Yields and Spreads

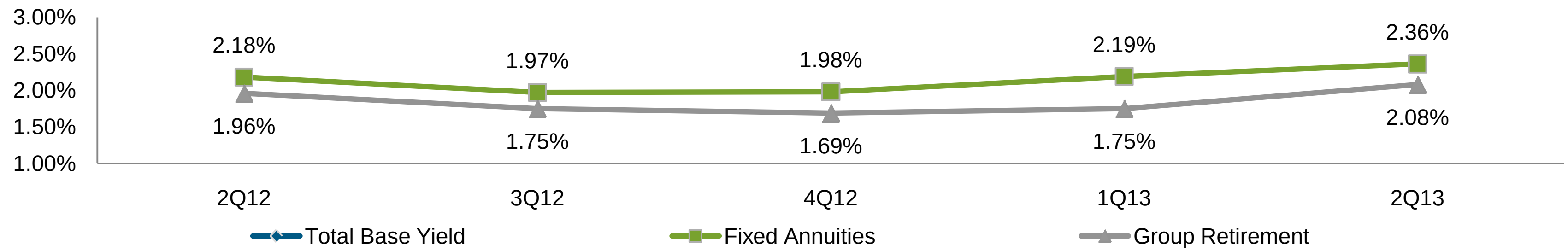
Base Yields[1]



Cost of Funds[2]



Base Net Investment Spreads[1]



- Overall base yields benefited from mortgage loan prepayments and increased accretion income principally related to structured securities, which were partially offset by the impact of investment purchases made at yields lower than the weighted average yield of the existing portfolio.
- Group retirement base yields also improved from 1Q13 due to an increase in allocated net investment income related to surplus assets.
- Active crediting rate management actions which included lowering renewal crediting rates and maintaining disciplined new business pricing also contributed to the improvement in net spreads.

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1) Includes the investment return on surplus other than alternative investment or yield enhancement activities.
2) Excludes the amortization of sales inducement assets.

Q&A

Appendix

Direct Investment Book and Global Capital Markets

($ in billions)	Direct Investment Book (1)	Global Capital Markets (1)
Assets	$25.7	$8.6
Liabilities	21.8	3.8
Net Asset Value	$3.9	$4.8

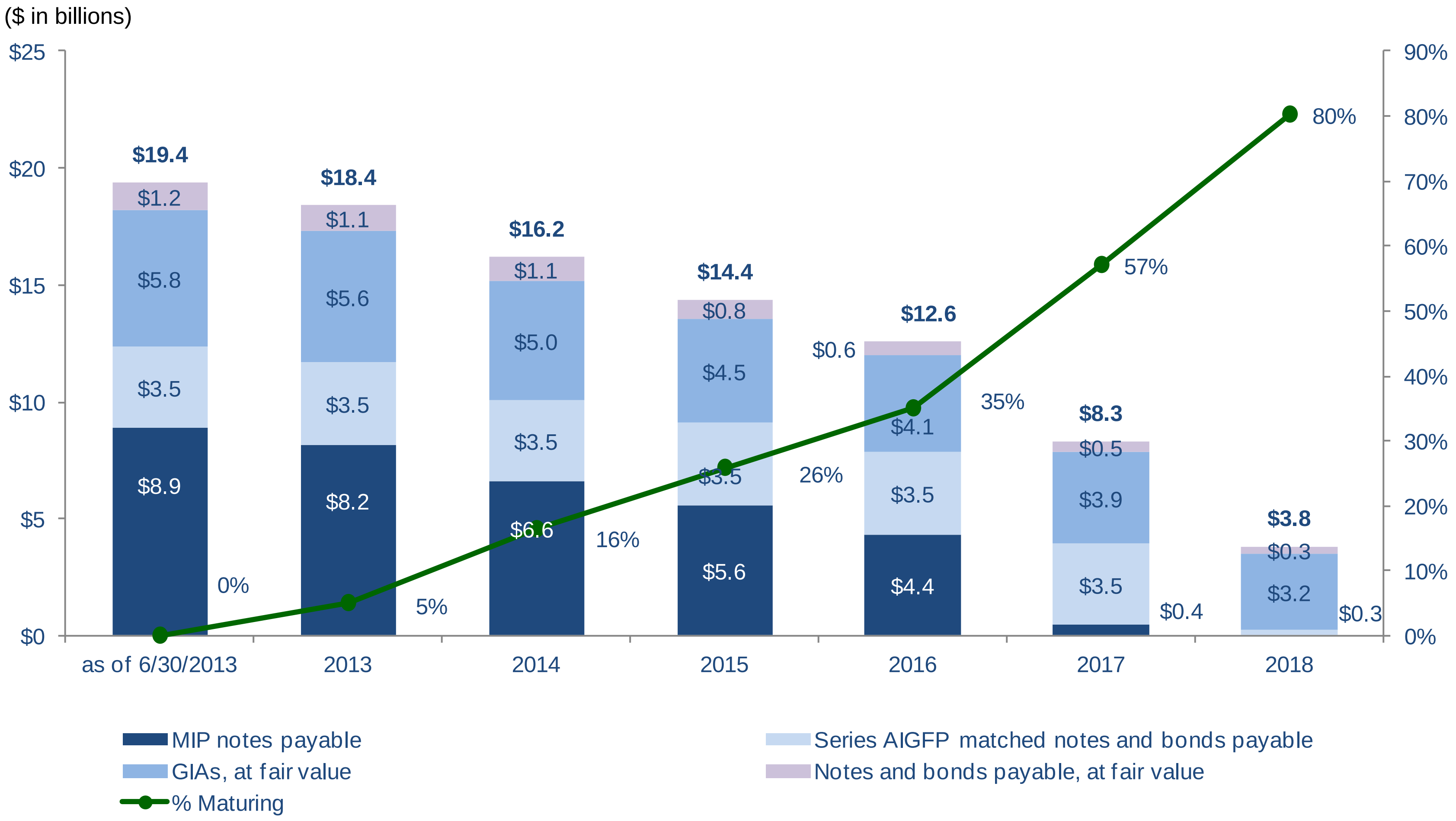
	Legacy Matched Assets & Liabilities	AIG Hedging & Market Derivatives(2)	Legacy AIGFP CDS Portfolio		Stable Value Wraps	Go Forward Hedging Platform
			Multi-Sector	Corporate Arbitrage		
Third-Party Derivatives Notional ($ bn)	--	$92	$4	$12	$8	$24
Weighted Average Life (Years)	--	6.5	6.0	2.7	5.0	7.9
Strategy	▪ Income generated through realization of intrinsic value ▪ Assets managed to ensure liabilities can be met as they come due, even under stress scenarios	▪ Primarily hedges of DIB assets and liabilities ▪ Bulk of risk related to interest rates, foreign exchange and equities has been hedged	▪ Income generated through realization of intrinsic value ▪ Remaining credit risk viewed as attractive risk-reward		▪ Since 4Q 2012, notional value of $10 billion has been novated to AIG Life and Retirement ▪ Further novations are expected to occur over time	▪ “Clearing house” for operating company hedging and risk management needs

Note: As of June 30, 2013.

1) The DIB consists of a portfolio of assets and liabilities held directly by AIG Parent in the Matched Investment Program (MIP) and certain non-derivative assets and liabilities of AIGFP. The DIB and GCM are included in AIG’s Other Operations.

2) The overall hedging activity for the assets and liabilities of the DIB is executed by GCM. The value of hedges related to the non-derivative assets and liabilities of AIGFP in the DIB is included within the assets and liabilities and operating results of GCM and is not included within the DIB operating results, assets or liabilities.

Direct Investment Book Long-Term Debt Maturities



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